

EXHIBIT 37

August, 2013

Mr. John Koufakis
Star Subaru
206-26 Northern Blvd
Bayside, NY 13361

Dear John

The following is an overview of items noted during our most recent visit to your dealerships.

CASH

- The Cash in Bank Marathon, Payroll, Chase Dep., Cash in Bank - chase, DMV, Refund and Payroll HRA accounts were reconciled through the end of June. There is one item to note in the operating account a \$1,500 deposit from June 11th has not cleared. According to Debbie the check was lost and a new one is being sent to the dealership.

CONTRACTS IN TRANSIT

- We went over the schedule and noted that all aged balances have been funded but have not been cleared of the schedule. One contract for Niloufar Pourmoussa Customer Number 13127 has an open balance of \$322. This is a difference from when the deal was set up and should clear when the customer makes the first payment.

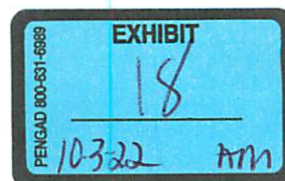
VEHICLE RECEIVABLES

- We went over this schedule and noted that is contained no aged balances. There are three credit balances in this account that are believed to be misposted customer deposits, these balances totaled \$3,500.

ACCOUNTS RECEIVABLE PARTS AND SERVICE

- The total outstanding balance was \$38,285.19 with \$21,802.52 being intercompany balances. Thirteen percent of this schedule is aged over 120 days, per Irene only one aged balance, Bobb Howard Transmissions, is to be written off. The complete aged balance list is as follows:

| CTRL | CUSTOMER NAME | TOTAL | 120+ | COMMENT |
|------|---------------|-------|------|---------|
| | | | | |



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| | | | | |
|--------|----------------------------|------------|------------|---|
| 150 | SUBARU DISTRIBUTIONS CORP | \$500 | \$500 | COLLECTIBLE |
| 9200 | TACH MOTOR WORKS | \$2,151.98 | \$2,151.98 | COLLECTIBLE |
| 100151 | K&B TRANSMISSION | \$1,460.62 | \$720.60 | COLLECTIBLE |
| 108503 | PAUL PETRON AUTO REPAIR | \$2,152.16 | \$2,088.92 | COLLECTIBLE |
| 119200 | HALLELUJAH PRAISE THE LORD | \$1,227.03 | \$-43.51 | BALANCE WILL OFFSET FUTURE PURCHASES |
| 124737 | BOBB HOWARD TRANSMISSIONS | \$163.31 | \$163.31 | WRITE OFF, OUT OF BUSINESS |

This schedule should be researched and cleaned up. Any of the slowing paying customers should be contacted regarding payment.

SUBARU WARRANTY CLAIMS

We went over this schedule and noted that all balances are current and deemed collectible. There are two credit balances Control Numbers 28122 and 29241 totaling \$20.85 and \$100.00 respectively will be picked up into income.

LICENSE AND REGISTRATION

We went over this schedule with Jacquie and the accounting department wrote off all aged debit balances which were 10 items totaling \$607.36 they are as follows:

| <u>CONTROL</u> | <u>CUSTOMER NAME</u> | <u>AMOUNT</u> |
|-----------------------|-----------------------------|----------------------|
| 7976 | SUZANNE J BUCHNER | \$1.25 |
| 11717 | ROSETTE JEAN | \$118.50 |
| 12445 | HAILE CAMILLO FIORE | \$142.00 |
| 12481 | REGINA M FERREIRA | \$0.60 |
| 12801 | VALERIE A MERCURIO | \$102.00 |
| 12957 | GEMMA C MENESES | \$5.00 |
| 13096 | TMI TRADING CORP | \$2.00 |
| 13109 | DOROTHY MARLENE FOX | 151.07 |
| 13205 | CHANG GIL YUN | \$13.50 |
| 13231 | VICKILYN M WONG | \$2.00 |

FLOOR PLAN

We went over this account with Irene and noted three aged balances totaling \$440.00 to be written off. They are as follows:

| AGE IN DAYS | SERIAL NUMBER | AMOUNT |
|-------------|---------------|--------|
| 509 | 258641 | \$220 |
| 86 | 418104 | \$20 |
| 90 | 854797 | \$220 |

FACTORY RECIEVABLES

We went over this schedule and discovered one aged credit balance that should be taken into income:

| AGE IN DAYS | SERIAL NUMBER | AMOUNT |
|-------------|---------------|----------|
| 125 | 842596 | \$118.87 |

ACCRUED PAYROLL

We went over this account with the accounting and human resources department and noted that there are two employees on this schedule that are no longer with the company. Rafael Rosario and Enrique G Mendoza have \$72.00 and \$1,706.31 accrued respectively.

CREDIT CARD RECEIVABLES

- There is one aged American Express receivable balance that is to be written off at the end of the year, SP122912 from December 29, 2012 for \$1,180.10 has yet to be collected.

NEW VEHICLE INVENTORY/FLOOR PLAN

- The new vehicle floor plan is reconciled monthly and the balance has been reconciled through the June 30, 2012 floor plan statement. No physical inventories have been taken by the dealership. We recommend monthly physical inventories be taken and reconciled to ensure the vehicle was located and sales are recorded and vehicles are paid off timely. At the time of our visit there were 18 cars in inventory that were aged over 90 days totaling \$452,901.

USED VEHICLE INVENTORY/FLOOR PLAN

- There is no used vehicle floor plan and no physical inventory counts are being done. We recommend monthly inventory counts and reconciliations in order to ensure that all vehicles are properly accounted for and to make sure that vehicles are on the correct company inventories. At the time of our visit there were 18 cars in the used car inventory that were aged over 90 days totaling \$230,613.30.

WE OWES

- We went over this schedule with Irene and noted that she is moving We Owe claims over 180 days old into an income account, at the time of our visit this amounted to \$30,319.14 in income.

ACCOUNTS PAYABLE

We went over this schedule and noted that there is \$87,358.80 of intercompany payables in this account, they are as follows:

| COMPANY | AMOUNT |
|------------------------|-------------|
| STAR AUTO BODY | \$970.00 |
| STAR TOYOTA OF BAYSIDE | \$247.33 |
| STAR CHRYSLER | \$3,064.77 |
| STAR NISSAN INC | \$32,312.91 |
| STAR MITSUBISHI | \$50,763.79 |

Very truly yours,

VOYNOW, BAYARD AND COMPANY

Randall E. Franzen, CPA